

American Rescue Plan Act of 2021 - DRAFT

(ARPA)

3/18/21

Statewide likely over \$3 billion

There is much we don't know and things are changing daily

1. **State and Local Fiscal Recovery Funds** (\$219.8 billion) use by Dec 31,2024
 - a. **Vermont: \$1.052 billion**
 - b. Locals: \$197 million

Allowable Uses: (regulations are not yet available)

- A. respond to public health emergency or its negative economic impacts including assistance to households, small businesses and nonprofits or aid to impacted industries such as tourism, travel and hospitality.
- B. premium pay for essential work
- C. Provision of gov services to the extent of the reduction in revenue.
- D. **make necessary investments in water, sewer** or broadband infrastructure.

NOT for offset a reduction in net tax revenue resulting from a change in law, etc;
NOT for pension funds

Under discussion in House Appropriations: Clean Water, Broadband, Information Technology and Workforce

Projects in the Capital Bill that may qualify as “water, sewer infrastructure”:

- 3-acre storm water
- clean water section
 - some federal projects require a state match so some items must be funded with state funds
- FPR – water and sewer projects
- Emergent contaminants
- Other?

Proposal: Because regulations are not yet completed, ask Finance and Management to use federal funds instead of capital funds where possible. That will mean that capital funds not spent will be available in budget adjustment (estimate \$10-\$15 per year)

2. **Capital Projects Fund** (\$10 billion)
a. **Vermont \$113 million**

Allowable Uses: “to remain available until expended, for making payments to States, territories, and Tribal governments to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID–19).”

Opportunity to fund major projects – no deadline

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Concept: Allocate big buckets to major projects. Once specific projects are defined and ready to go you can more precisely allocate the funds

AHS: correctional facility, mental health facility	\$62 million
Legislative and Judicial Branches	\$51 million